STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

February 20, 1989

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Nassau Resources, Inc. c/o Jerome P. McHugh & Associates P.O. Box 809 Farmington, NM 87499-0809

Attention: Fran Perrin

Administrative Order NSL-2627

Dear Ms. Perrin:

Reference is made to your applications of October 18, 1988 and January 30, 1989 for a non-standard coal gas well location for your Carracas Unit 14-A Well No. 13 to be located 230 feet from the South line and 380 feet from the West line (Unit M) of Section 14, Township 32 North, Range 5 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. The S/2 of said Section 14 shall be dedicated to the Well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regualations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

William J. LeMay

Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec

New Mexico Oil & Gas Engineering Committee - Hobbs

US Bureau of Land Management - Farmington

FEB281989
OIL CON. DIV



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

1000 BIO BRAZOS BOAD AZTEC, NEW MEXICO 87410 (505) 334-6178

OIL CONSERVATION DIVISION BOX 2088 SANTA FE, NEW MEXICO 87501
DATE 11-16-88
RE: Proposed MC Proposed DIIC Proposed NSL Proposed SWD Proposed WFX Proposed PMX
Gentlemen:
I have examined the application dated 10-17-88
for the <u>NASSAU RESOURCES INC. (ARRACAS UNIT 14A*13 M-14-32N-5W</u> Operator Lease and Well No. Unit, S-T-R
and my recommendations are as follows:
Rocket for Heavy- Seals an exception to Att P. 876
Yours truly,
Em Bosel

October 14, 1988

New Mexico Oil Conservation Division ATTN: Mike Stogner 310 Old Santa Fe Trail, Room 206 Santa Fe. NM 87503

RE: Application for Unorthodox Location Nassau Resources, Inc. Carracas Unit 14 A #13 230' FSL - 380' FWL Sec. 14, Township 32 North, Range 5 West, NMPM Rio Arriba County, New Mexico

Gentlemen:

Nassau Resources, Inc., hereby requests administrative approval of an unorthodox location for the captioned well based upon terrain and in order to utilize an existing abandoned well pad and therefore minimize disturbance to the Carson National Forest.

As indicated by the attached topographic map, the terrain in this section is extremely rough and no other drill sites are feasible.

Attached is a copy of a letter from Philip Settles of the Jicarilla Ranger District of Carson National Forest indicating their quidelines for development.

This well is in Nassau's Carracas Unit. Amoco Production Co., the only offsetting operator, as indicated by the attached lease plat, has been notified of this application by certified mail. Jerome P. McHugh and Kindermac Partners are operating affiliates with Nassau Resources, Inc. and have been notified of this application.

Also attached are the C-102 plat and production map.

Please contact us if anything further is required to complete this application.

Respectfully submitted,

Fran Persis

Fran Perrin

Attachments

Ernie Busch, NMOCD, Aztec, NM Jerome P. McHugh/Kindermac Partners Amoco Production Co.

fp Main Office Jerome P. McHugh & Associates Operating Affiliate: Nassau Resources, Inc. 650 South Cherry, Suite 1225 Denver, Colorado 80222 (303) 321-2111

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2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).										
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?										
· [xk Yes [No II ma	swer is '	"yes;" type of	Cansoli	idation <u>Car</u> i	cacas U	nit - Uni	tizat	ion
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LEASE PLAT

Township 32 North, Range 5 West, NMPM, Rio Arriba County, NM

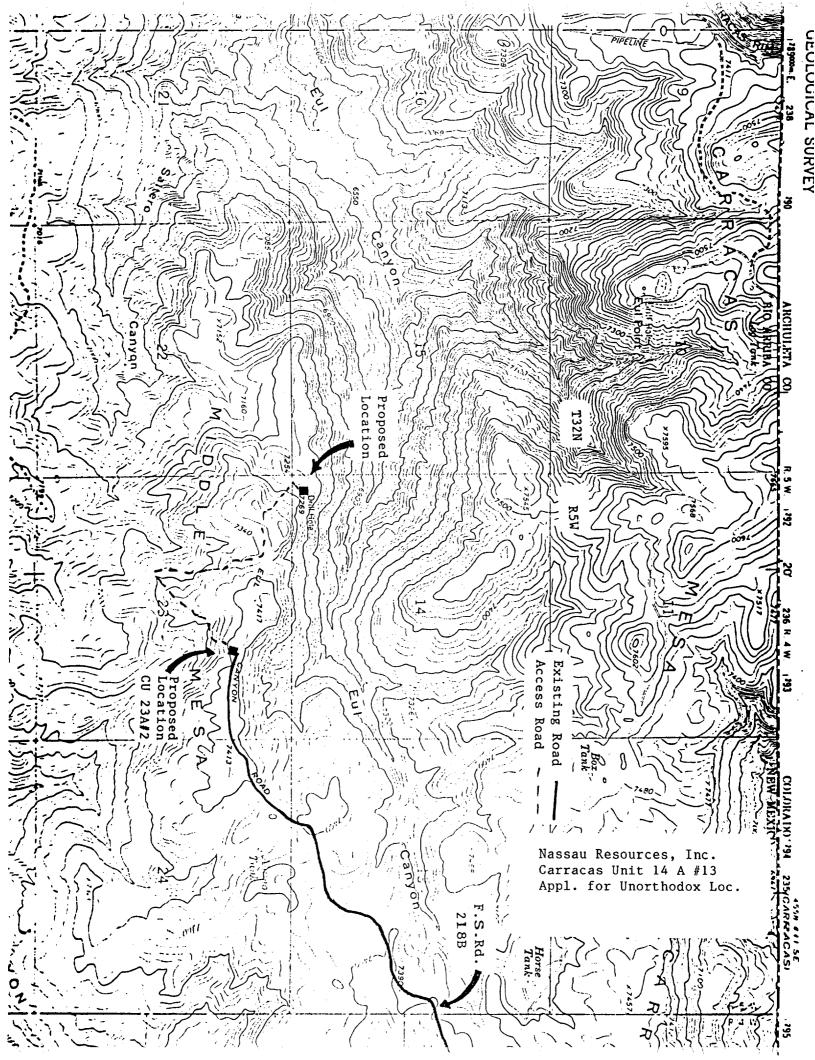
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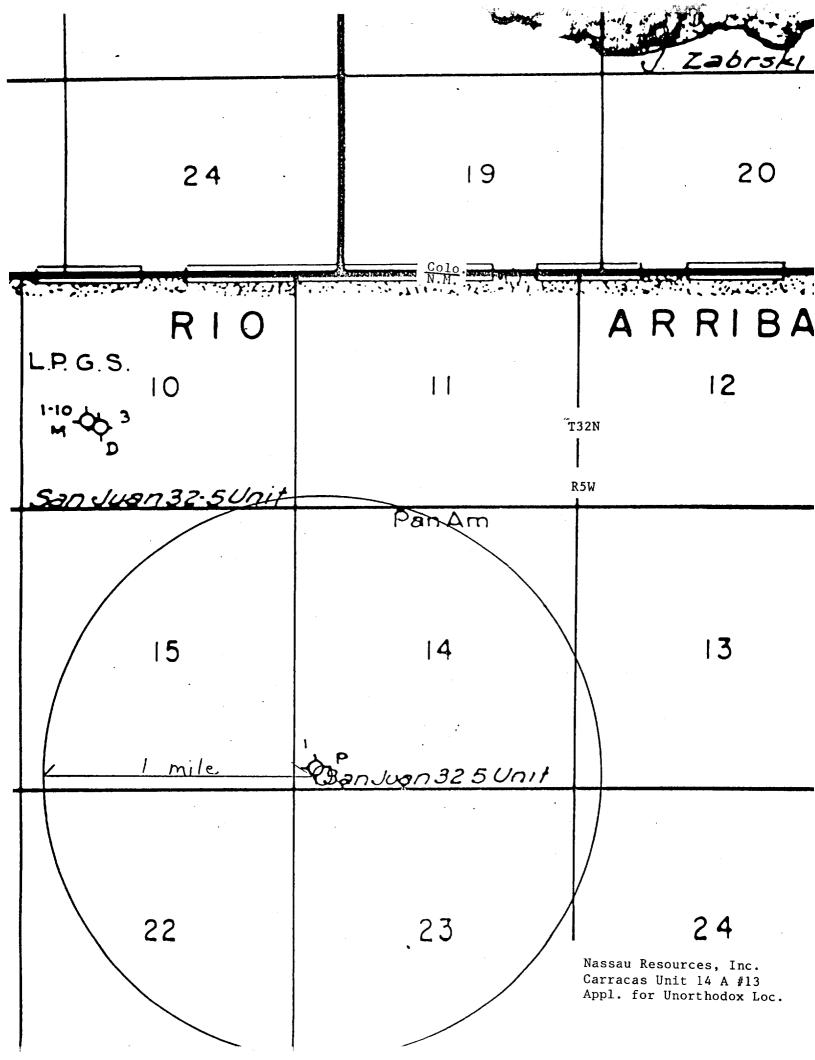
Offsetting Operators: Amoco Production Co.

Jerome P. McHugh

Kindermac Partners, Inc. *

^{*}Operating Affiliates with Nassau Resources, Inc.







Reply to: 2820

Date August 3, 1988

Mr. James Hazen Nassau Resources, Inc. P.O. Box 809 87499 Farmington, New Mexico

Dear James:

It was brought to my attention by Mike Atchison that you will be needing to apply for some unorthadox locations for some of the wells in the Carracas Unit. The current location in need of unorthadox approval is the well location just northwest of the Carracas Administrative site, Section 18, T. 32 N., R. 4 W. The need for moving the location to the new site is based upon wildlife habitat protection and in keeping within the guidelines set forth in the Carson Forest Plan. The Plan, as you know, has a major emphasis in wildlife and wildlife habitat. Also key to this request for moving the location is the current Off-Road-Vehicle restriction policy in place over the entire Carracas Unit. This restriction is in place to limit off-roadvehicle travel within a key wildlife management area so that security area will not be lost by unnecessary road construction.

Jicarilla

Ranger District

Whenever possible, locations will be required to be placed along open access roads. Further unorthadox locations can be expected within the Carracas Unit to keep in line with the management direction set forth for this area.

Because of this management direction and the probability of future relocations, I would hope the approval of these unorthadox locations can become routine. If not, please don't hesitate to contact me for further help or if needed to appear in person before the approving officer. If you have any questions, please give me a call.

Sincerely,

PHILIP R. SETTLES

District Forest Ranger

Milip R Settles

Jerome P. McHugh Farmington, N.M.

CARING FOR THE LAND AND SERVING PEOPLF

Nassau Resources, Inc. Carracas Unit 14 A #13 Appl. for Unorthodox Loc.

AUG 9 1988 RECEIVED